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Approved For Release 2000/05/16 : CIA-RDP81B00878R001300170068-1

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3 September 1958

MEMORANDUM FOR THE RECORD

SUBJECT : Concurrence in Amendment No. 4 to Contract No. NY-B-51110 with Baird-Atomic, Inc. Project CHALICE (Navy).

1. This memorandum contains a recommendation submitted for approval of the Special Assistant to the Director for Planning and Development. Such recommendation is set forth in Paragraph 4.

2. Amendment No. 4 has been drawn to establish final fixed prices for Items Nos. 7 and 8 of the contract. The contract provides that because of the nature of the work and the uncertainty as to the cost thereof, the contract prices for Items Nos. 7 and 8 are maximum prices subject to retroactive adjustment downward by negotiations. The maximum price for Item No. 7 is \$11,600. Based on audited cost, the final price for this item has been fixed at \$10,971. Of this sum, the Auditor questioned \$1,174 representing unapproved subcontract cost. In view of the nature of the work and the urgent requirement for its early completion this cost is considered allowable and necessary for performance of the item. The maximum price for Item No. 8 is \$20,000. Audited cost for this item reflected \$19,684 acceptable cost, \$10 non-acceptable cost and \$425 questioned cost. Since the accepted cost of \$19,684 plus a profit of 10% exceeds the maximum price for Item 8, the final price for this item has been fixed at the \$20,000 maximum.

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3. The total amount obligated under this contract is

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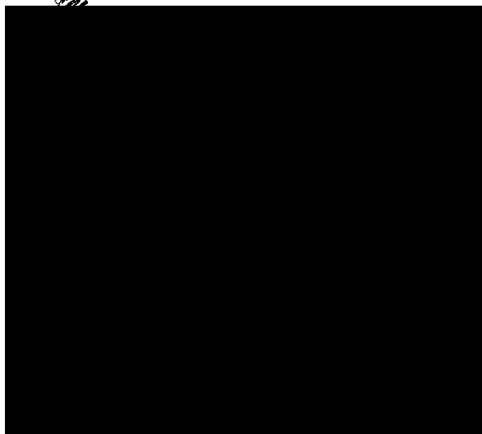
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4. Approval of Amendment No. 4 to Contract No. NY-B-5111C and execution thereof on behalf of the Agency by the authorized Contracting Officer is recommended.

CONCURRENCES:

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General Counsel

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Approval requested in
Paragraph 4, granted.

RICHARD M. BISSELL, JR.
Special Assistant to the Director
for Planning and Development

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Distribution:

- Orig. - Contract Baird-Atomic, Inc. NY-B-5111C
- 2. - Finance
- 3. - Audit Folder
- 4. - Chrono (RI)

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